

BETTY T. YEE, BOARD MEMBER STATE BOARD OF EQUALIZATION

Serving the 8.5 million Californians of the First Equalization District, comprised of 21 counties along the northern and central California coast, including the entire San Francisco Bay Area.



VOLUME V, ISSUE IV

OCTOBER - DECEMBER 2011

To learn more about services provided by the State Board of Equalization, please call my office or visit my web site at:
www.boe.ca.gov/members/yee

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QUARTERLY E-NEWSLETTER

Welcome to the Winter edition of my e-newsletter. As we begin the New Year, we see hopeful signs that economic activity is slowly gaining momentum with unemployment on the decline, taxable sales on the rise, and exports continuing to grow.

While the economy may be looking up, state and local governments are making difficult choices as they scramble to absorb nearly \$1 billion in mid-year budget cuts. The cuts to K-12, higher education, and social programs are the result of a trigger enacted as part of the budget agreement last year that automatically cuts spending if revenues fall short of projections. Unfortunately, those revenues did fall short.

The Governor and many other interests have proposed ballot measures to provide more revenues to the state so we can pay for essential services such as education, public safety, and social programs.

Investments in Californians are even more important in light of the results of a new study by the Public Policy Institute of California showing inequality among Californians at a record high and median incomes declining from 2007 to 2010. Inequality hurts everyone by increasing the need for taxpayer-funded social services, reducing the ranks of the middle class, and producing fewer customers for the businesses that make California's economy robust.

Still, I remain positive about our state's future. As I travel throughout the state, I see the many talented, hard-working, and visionary Californians who give me confidence that our state will emerge from these challenging times stronger than before.

I and my staff are committed to doing whatever we can to help California's recovery and to help Californians understand how to comply with tax requirements so we each may do our part to assist in our economic recovery. My e-newsletter is just one opportunity to provide information about economic news, the budget, small business programs, and tax policies. I hope you find it useful.

Sincerely,

BETTY T. YEE

ECONOMIC UPDATE

INCOME DOWN, INEQUALITY UP

A report by the Public Policy Institute of California reveals that median family income in California dropped more than 10 percent between 2007 and 2010, including a 6 percent decrease after the recession was officially over in 2009. During the same period, California experienced record high measures of inequality and near-record lows in the proportion of residents in the middle class. The report examined the period between 2007 and 2010, which it calls the "Great Recession."

Median income is a measure used by many economists to generate economic data. Half the families earn below the median income, and half the families earn above it.

The report attributed much of the decline in median income to higher rates and longer periods of unemployment. In addition, the report found a significant number of people who were underemployed or working fewer than 40 hours a week.

California's median income dropped more than the rest of the nation, which



experienced a 6.1 percent decline from 2007 to 2010. Median income in the San Francisco Bay Area was down 12.1 percent; 17.9 percent in the Central Coast; and 11.3 percent in Los Angeles County.

Income inequality, already high in California, was exacerbated between 2007 and 2010 because lower income residents experienced larger declines in income than upper income residents.

ECONOMIC ACTIVITY PICKING UP SLOWLY

Economic indicators provided hopeful signs in the fourth quarter of 2011 that the recovery is gaining momentum. California's unemployment rate is inching downward as exports continue increasing.

In November, the unemployment rate fell for the fourth month in a row to 11.3 percent, down from 11.7 percent in October, and from 12.5 percent in November 2010. The number of people holding jobs in November was up 246,000 compared with the same month last year. California added 6,600 jobs in November compared to October and 211,400 jobs between January and November.

Still, the state unemployment rate is significantly higher than the national rate of 8.6 percent, and more than 2 million Californians are unemployed.

California's export market continues to be a bright spot. In October, export trade was \$13.81 billion, up 7 percent from October 2010 and \$320 million higher than export trade in September, according to Beacon Economics.

CALIFORNIA STATE BUDGET UPDATE

Governor Jerry Brown released a proposed budget on January 5th calling for cuts of \$1.7 billion to assistance to needy families, child care, in-home support, and other human service programs. It also includes \$2.5 billion in cuts to other programs to balance the state's budget.



The plan relies on voters approving a \$6.9 billion temporary tax increase the Governor is trying to qualify for the November ballot that would raise the sales tax rate by a half-cent and

increase state income tax rates on the wealthy. If voters do not approve the tax hike, the budget would require the Governor to pull a "trigger" that would slash \$4.8 billion from K-12 schools and make additional cuts in higher education and other key public

services.

Ms. Yee called the proposal a "realistic budget that highlights the painful choices facing lawmakers after rounds of program cuts affecting our most vulnerable Californians. I applaud and join the Governor in supporting temporary tax increases so we may reverse the trend of disinvestment in California's most precious resource: our human capital."

Governor Brown's second proposed budget since returning to the governor's office has focused on curtailing chronic borrowing and addressing the state's structural budget deficit. Last year's proposed budget sought balanced solutions, seeking deep program cuts and new revenues to be voted on at a mid-year special election. After months of negotiations, the Legislature failed to adopt Governor Brown's proposal to submit new revenues for a vote of the people by the necessary two-thirds vote for a revenue increase.

Using the new majority vote rule (for expenditures only) adopted by voters at the November 2010 election, the Legislature passed and Governor Brown signed an on-time budget on June 30, 2011, relying on new favorable revenue projections indicating

the potential of an additional \$4 billion in revenues above previous forecasts. The budget also adopted deep "trigger cuts" proposed in the event the new forecasted revenues were not realized.

After receiving \$2.2 billion less than forecasted in the Budget Act, on December 13, 2011, Governor Brown implemented "Tier One" trigger cuts required by the 2011 Budget Act, reducing \$980 million from health, education, and other public services. Governor Brown's proposed budget for the new fiscal year, 2012-13, seeks additional action from the Legislature in the next few months to address the remaining shortfall in the current fiscal year.

The new proposed budget indicates a reduction of the state's structural deficit from \$20 billion annually to \$5 billion annually, with additional challenges associated with California's and the nation's slow economic recovery. The new budget also highlights data indicating a reduction in the level of government expenditures to 40-year lows that, with population increases, suggest historic reductions in government services and public investment by California state government.

IN THE SPOTLIGHT: PENSION REFORM

EXPERTS EXPLAIN CIVIL SERVICE PENSION REFORM

Pension reform has been in the headlines for months because of rising costs and reduced government budgets. However, so much of what has been written and discussed has been incomplete or filled with opinions.

To broaden public understanding so it can make informed decisions, Ms. Yee co-hosted a seminar with Oakland City Auditor Courtney Ruby, “Pension Reform Explained.” Alan W. Milligan, Chief Actuary with CalPERS, and Micki Callahan, Human Resources Director for the City and County of San Francisco, put pensions into historical context, explained why pensions are such an important topic right now, and described policy changes that have been implemented or are being considered.

Mr. Milligan explained the differences between a defined contribution plan, a defined benefit plan, and a hybrid plan that blends the two. Currently, many government employees have a defined benefit plan that guarantees retirement benefits.

Mr. Milligan explained the Governor’s pension proposal seeks to give new employees a hybrid plan in which some benefits are guaranteed, but others depend on how



employee contributions fare in the market. The Governor describes this as spreading the risk between the government and the employee.

The Governor’s plan also calls for all state employees to eventually split the funding of annual pension costs with the state. Currently, some state employees contribute 8 percent of their salary to their pension, while others do not contribute anything.

Local governments throughout the state have considered pension reforms. In San Francisco, business and union leaders worked together on Proposition C, a civil service pension reform that was approved by

voters in November 2011.

Ms. Callahan explained the measure reduces costs in part by enacting an innovative cost-sharing plan for all employees that links their contributions to the rise and fall of contributions by the city. It also creates a plan for new employees that raises their retirement age.

During this debate, Ms. Yee emphasized it is important that the voice of workers is not forgotten. Most public employee unions at the state or local level have already agreed to pension concessions. She noted recent polls show that voters are paying attention to the pension issue.

RECENT BOARD MEETING

BOARD OF EQUALIZATION CLOSES TAX DISPARITY AMONG TRIBES



In November, the Board amended a regulation that will ensure federally recognized tribes without land or with inaccessible reservations, are treated the same as tribes that have their own reservations in certain tax matters.

Under current federal law, certain sales to

federally recognized tribes with reservations are exempt from state sales or use tax. This amendment to BOE Regulation 1616, Federal Areas, now extends the exemption to tribes without land or with reservations that are too inaccessible to conduct tribal business.

The sales and use tax exemption contained in this amendment covers items purchased by Indian tribes to conduct tribal business. It does not apply to Indian companies or to individual Indians.

Ms. Yee, a strong proponent of the amendment, praised the BOE staff for their work with representatives from California’s diverse tribal communities. She sees the work that produced these amendments as a model for future discussions about tax issues affecting tribal communities and parties who transact business with tribal communities. She is leading the establishment of a tribal advisory council to facilitate those

discussions.

The amendment helps to resolve longstanding inequities between Indian tribes. Many tribes lack a reservation, or else have a reservation that lacks water, electricity, gas, sewage, telephone or mail service and therefore have a principal meeting place located off the reservation.

Some of these problems date back to 1851, when the United States Senate declined to recognize many California tribes, thereby denying federal protection to many land holdings. Without federal protection, many of those land holdings were lost, leaving some tribes without reservations.

Silvia Burley, chairperson of the California Valley Miwok Tribe, which does not have land, thanked the Board in a letter for shining light on a tax disparity between tribes with no land or inaccessible reservations, and those with reservations.

TAX NEWS

LOWER PROPERTY TAXES IN A DECLINING HOUSING MARKET

In this market of declining property values, many home buyers have purchased a home at a price lower than the price the seller paid when he or she bought the house. Such a buyer would naturally expect to pay lower property taxes.

County assessors process these changes on a rolling basis. As a result, the new homeowner may have to wait up to a year and a half to realize the property tax savings while assessors process all changes in ownership for the year.

The sale of property starts the

supplemental assessment process. The Legislature created this process to provide timely recognition of changes in ownership in a way that conforms with Proposition 13, which limits property tax increases.

The process requires the assessor to reassess the property at fair market value, usually the sales price, as of the date of the sale. Some transactions, such as a transfer between spouses or between parents and children, are excluded from this process.

For more information about supplemental assessments, please click [here](#).



TAXABLE SALES UP IN THIRD QUARTER

Taxable sales in California are on the rise. They increased 5 percent in the third quarter of 2010, rising \$5.8 billion compared to the third quarter of 2009. Personal income increased 5 percent over the same period, according to figures from the BOE.

In the First Equalization District, 19 of the 21 counties experienced an increase, with San Luis Obispo County registering the largest increase of 15.5 percent, followed by Trinity County at 12.8 percent. Colusa County (-28.4 percent) and Solano County (-2.1 percent) were the only counties with a decrease.

The BOE projects that the increase continues in 2011, when estimates based on cash receipts show taxable sales rising 8 percent over the third quarter of 2010.

"I am pleased with the increase in taxable sales," said Ms. Yee. "While it is a positive sign, we have a long way to go to reach a full recovery."

Taxable sales in the third quarter of 2010 increased 6.6 percent in the nine-county San Francisco Bay Area. Third quarter taxable sales rose in the region's major cities: San Jose up 9.9 percent, San Francisco up 7.1 percent, and Oakland up 2.0 percent over the same quarter the year before.

The third quarter 2010 taxable sales receipts report shows that all but one county in the First Equalization District had increases in taxable sales.

Counties with an increase:

Alameda	6.5%	Mendocino	3.1%	San Mateo	5.8%
Contra Costa	0.2%	Monterey	4.9%	Santa Barbara	3.0%
Del Norte	4.3%	Napa	6.5%	Santa Clara	11.8%
Humboldt	6.1%	San Benito	6.6%	Santa Cruz	3.9%
Lake	5.6%	San Francisco	7.1%	Sonoma	5.8%
Marin	3.7%	San Luis Obispo	15.5%	Trinity	12.8%
				Yolo	1.2%

County with a decrease:

Colusa	-28.4%
Solano	-2.1%

Sales by Sector

Sectors showing third quarter 2010 increases include California gasoline stations, up 8.7 percent; clothing and accessories stores, up 6.5 percent; and general merchandise up 5.5 percent.

Sales for a category titled "other outlets," which represents manufacturing and wholesale trade, gained 7.1 percent. This

sector was buoyed by manufacturing, which grew at 9.9 percent; and wholesale trade, which grew at 7.4 percent. Pulling down this sector were finance and insurance, decreasing 10.6 percent; and healthcare and social assistance, decreasing 6.4 percent.

To view the third quarter of 2010 taxable sales in California, please click [here](#).



TAXPAYER SERVICES

HELP WITH TAX PREPARATION AVAILABLE

Preparing your tax return can be complicated, but free help is available. For assistance with filing your federal return, consider using [Free File](#). For your California return, there are free file programs called ReadyReturn and CalFile on the Franchise Tax Board [website](#). In addition, the following programs assist the elderly, those with low incomes, and members of the armed forces:

Volunteer Income Tax Assistance (VITA) offers free tax help to individuals with limited income. To locate the nearest VITA site, call 1-800-906-9887.

Tax Counseling for the Elderly (TCE) provides free tax help to persons aged 60 and older. As part of the IRS-sponsored TCE Program, AARP offers the Tax-Aide counseling program at more than 7,000 sites nationwide during the filing season. For more information on TCE, call 1-800-829-1040. To locate the nearest AARP Tax-Aide site, call 1-888-227-7669.

The Armed Forces Tax Council (AFTC) program offers free tax assistance to all members of the armed forces and their families. At the AFTC sites, counselors provide advice on tax issues as well as issues specific to the military, such as combat zone benefits. For more information, call 1-800-829-1040.

Tax-Aid provides free tax return preparation for San Francisco Bay Area families with incomes less than \$49,000. Click [here](#) for locations and dates.

PREPARING TAXES NOW HELPS AVOID MISTAKES

With New Year's celebrations fresh in your memory, it may seem like an unusual time to think about a tax filing deadline that is not until April.

However, by organizing tax documents now, you can avoid mistakes later. So take the time to organize income reporting statements, W-2s and 1099s, and tax deduction documents such as those for tax payments, mortgage interest expenses, and charitable contributions.



ANOTHER REASON TO FILE YOUR TAX RETURN: EARNED INCOME TAX CREDIT



You should always file your income taxes, but there is one extra reason to file your federal return. Even if your income is below the federal filing requirement, you may be eligible for the Earned Income Tax Credit (EITC). The credit, a financial boost to working families, comes in the form of

a payment from the federal government that averaged \$2,100 per eligible worker last year and went as high as \$5,751. Unless you file, you cannot get the credit. Anyone with earnings under \$49,078 should click [here](#), or visit a volunteer tax assistance center to learn about eligibility for the EITC.

SMALL BUSINESS ASSISTANCE

LOAN PROGRAM TARGETS WOMEN-OWNED SMALL BUSINESSES



Women-owned small businesses receive only 3.4 percent of federal government contracts, yet the number of women-owned small businesses is rapidly rising.

Earlier this year, the Small Business Administration (SBA) launched a

procurement program designed to give 5 percent of federal contracts to businesses owned by women.

Women can participate in these programs if they are certified in one of two federal programs: the Women-Owned Small Business Federal Contract Program, and the Economically Disadvantaged Women-Owned Small Businesses Program. To be certified, a business has to show that 51 percent of its stock or equity is owned by a woman or women.

Women-owned small businesses have increased 20.1 percent since 2002, according to the SBA. For more information, please click [here](#).



BOE NEWS



APPOINTMENTS

In December, the Board announced the appointment of Jaime Garza to the position of Deputy Director of the BOE's External Affairs Department. Mr. Garza previously worked for the Department of Motor Vehicles, and prior to that, he was a broadcast journalist in the Sacramento and Los Angeles media markets.

LARGEST SALES AND USE TAX DELINQUENCIES

The 250 businesses and individuals with the largest unpaid sales and use tax delinquencies owe \$419.5 million, according to a list updated by the BOE in the fourth quarter of 2011. The updated list can be found [here](#).

The list, which is mandated by state law, requires the BOE to post online the 250 largest

tax delinquencies of more than \$100,000 in tax, after notifying debtors that their tax liabilities will be disclosed to the public. The list often prompts delinquent taxpayers to come forward and pay their debt or enter into an installment payment agreement.

In October 2011, Governor Jerry Brown signed legislation that will expand the list to include the 500 largest tax delinquencies in California.

PAYMENT OF THE SALES TAX ON FUELS

The sales tax prepayment rates for fuels will go up on April 1. The rate for gasoline will increase from 5.5 cents per gallon to 7 cents per gallon; aircraft jet fuel from 14 cents to 18 cents per gallon; and diesel fuel from 25 cents to 26.5 cents per gallon. Under the requirement, refiners of gasoline, aircraft fuel, and diesel fuel are required to collect and in some cases pay a portion of the sales tax that is owed when the fuel is sold to the consumer. The requirement was started to avoid tax evasion.



IN THE COMMUNITY

As a public official, Board Member Yee participates in events in support of numerous community organizations and business groups. Her relationships with these organizations help to deepen her understanding of the needs and concerns of her constituents.

SILICON VALLEY LEADERSHIP GROUP'S 5TH ANNUAL WOMEN AND GIRLS SUMMIT

On October 21, Ms. Yee spoke to young girls about having confidence and aiming high in life during a panel discussion at the Silicon Valley Leadership Group's 5th Annual Women and Girl's Summit at Les Mathson Middle School in San Jose. This inspiring event gives young girls the chance to hear from successful women leaders in both the public and business sectors, including those working for the Federal Bureau of Investigation and Facebook.

"Follow your dreams," Ms. Yee advised the young girls who approached her. "And every step you take towards fulfilling your dreams, take time to look back and see what you have accomplished...and have confidence as you take every step forward from that point."



Ms. Yee and other panel members.

LEAGUE OF CALIFORNIA CITIES CIVIC LEADERSHIP INSTITUTE PANEL



Ms. Yee addresses the California Civic Leadership Institute.

CALIFORNIA RETAILERS ASSOCIATION ANNUAL PUBLIC AFFAIRS DINNER

Ms. Yee was honored to address the California Retailers Association during the dinner event of its Annual Public Affairs Conference on November 1st in San Francisco. The event gave retail leaders a chance to discuss common issues among themselves as well as to hear from state government officials about resources to assist retail businesses.

In response to the Association's expression

of gratitude to Ms. Yee about her leadership in ensuring the enactment of legislation to level the playing field between online and in-state retailers with respect to the collection of tax on purchases by California consumers, Ms. Yee stated, "Retail businesses are vital in supporting communities and providing jobs. At the very least, their online counterparts should be complying with the same sales and use tax rules as our local merchants."



Ms. Yee makes remarks at the CRA Annual Public Affairs Dinner.



Ms. Yee engages with CRA members.

"EMBRACE OF CHINA" VARIETY CONCERT

On December 19, Ms. Yee attended a musical event, "Embrace of China," hosted by the Chinese Herb Trade Association of America in San Francisco. The performance team of The Federation of Returned Overseas Chinese of Liaoning Province delighted the audience with their traditional sounds and styles.

Ms. Yee was thrilled to attend this live performance of popular and talented Chinese stars and honored to present a resolution to the Federation.

10TH ANNUAL ARC ANGEL BREAKFAST



Ms. Yee presents a certificate of recognition to ARC CEO Glenn Motola.

On October 14th, Ms. Yee joined community leaders and local officials in honoring the ARC of San Francisco at the 10th Annual ARC Angel Breakfast. Since its founding in 1951, the ARC has worked to enable people with developmental disabilities to maximize their potential, live meaningful lives, and become integral members of their community. "I applaud organizations such as the San Francisco Giants and Safeway for creating opportunities for ARC clients to integrate into the community and provide valuable skills-building experiences," Ms. Yee noted. "Not only is it inspiring, it makes good business sense."

HOLIDAY COMMUNITY SERVICE AT THE ARC OF SAN FRANCISCO

On December 22nd, Ms. Yee and her staff had the pleasure of volunteering at the ARC of San Francisco's Thursday Soup

Service. This weekly event draws hundreds of Arc clients, friends, and family members and allows for a welcome community setting.



Ms. Yee and ARC CEO Glenn Motola serve up some split pea soup.



Ms. Yee and her staff volunteer at the Arc of San Francisco.



Ms. Yee introduces herself to Arc clients at their weekly Soup Service.



Members of my staff help prepare soup for the lunch.

HISPANAS ORGANIZED FOR POLITICAL EQUALITY AWARDS DINNER



Ms. Yee was pleased to attend the 22nd Anniversary Awards Dinner of Hispanas Organized for Political Equality (HOPE) on December 1st in Los Angeles. This year, HOPE honored California Public Utilities Commissioner Catherine J.K. Sandoval with the Spirit of HOPE Award and Executive Director of External Relations for the Port of Los Angeles Cynthia Ruiz with the Ray of HOPE Award. These inspiring women serve as role models and mentors to the broader Latina community.

"How powerful to be sitting among so many dynamic Latinas, many of whom are HOPE Leadership Academy graduates and serving as change agents in their workplaces and in their communities!"

ANNUAL CALIFORNIA TAX POLICY CONFERENCE PANEL DISCUSSION

On November 3rd, Ms. Yee served on the "Framework that Shapes and Constrains California's Tax System" panel during 2011 Annual Meeting of the California Tax Bar and California Tax Policy Conference in San Jose. She provided an overview of the constraints enacted by voters through the initiative process that have not only limited the ability of the state and local governments to implement tax policies that are fair and certain, but have also made California's tax system confusing and inflexible to change when economic conditions so demand.

"It is important for tax practitioners to have an understanding of the broader policy and political environment in which they work so they may stay informed about changes in tax law," observed Ms. Yee.

SUNEDISON PRESS CONFERENCE

On October 10th, Ms. Yee was honored to join Governor Jerry Brown, Assemblymember Jerry Hill, and former Belmont Mayor Coralin Feierbach at a press conference to announce the grand opening of SunEdison's new headquarters in Belmont. SunEdison is fast emerging as a leader in solar and other renewable energy manufacturing. The press conference followed Governor Brown's recent signature on Assembly Bill 15 of the First Extraordinary Session, authored

by Assemblymember Hill and supported by Ms. Yee.

Ms. Yee states, "AB 15X recognizes the complex financing required for the construction of solar energy systems by clarifying the application of the property tax exclusion in situations that involve, among other things, owner-builder arrangements. I am pleased that SunEdison has committed to investing in California and am proud to have its headquarters located in my district."



Ms. Yee joins other elected officials in addressing the crowd.



Ms. Yee leaves the reception with Governor Brown and Assemblyman Hill.

"DAY OF INCLUSION" RECEPTION



Ms. Yee with other Asian Pacific Islander American elected officials.

On December 5th, Ms. Yee was honored to join Assemblymember Mike Eng and the Organization of Chinese Americans at their joint reception recognizing the "Day of Inclusion." In 2009, Assemblymember Eng introduced Assembly Concurrent Resolution 76, which designates December 17th as the "Day of Inclusion." The aim of this annual reception is to educate Californians about the contributions that immigrants have made to the nation.

"Immigrants have contributed to the social fabric in the United States for centuries," noted Ms. Yee. "The Day of Inclusion is not only a wonderful opportunity to celebrate these contributions...it also allows us to reflect on the struggles of immigrants to attain their rightful place in society."

ASIAN BUSINESS ASSOCIATION OF SAN DIEGO 21ST ANNUAL AWARDS DINNER



**Asian Business
Association**

Ms. Yee attended the 21st Annual Awards Dinner of the Asian Business Association (ABA) of San Diego on November 17th. Each year, the ABA recognizes individuals and businesses for their work providing the Asian and Pacific Islander American community with a stronger voice on business, cultural, and political issues.

"I am so inspired by the emergence and prominence of Asian American business leaders in the San Diego region, who also are leading the effort for an additional San Diego City Council seat to be established that may be more responsive to the needs of this community."

CALIFORNIA ASSOCIATION OF TAXPAYER ADVOCATES 1ST ANNUAL CONFERENCE

Ms. Yee was honored to speak before the newly formed California Association of Taxpayer Advocates (CATA) at its First Annual Conference in Indian Wells on December 12th. CATA was established in 2011 to organize industry tax leaders and tax practitioners with a specific focus on property tax issues and concerns. Ms. Yee discussed ways of effectively resolving property tax issues, identifying tools and resources available at the State Board of Equalization (BOE) and providing examples of successful collaborative efforts she has led involving industry representatives, the BOE, and county assessors.

"Congratulations to CATA on its establishment as a go-to organization for the BOE and county assessors to approach when trying to resolve property tax policies. I look forward to working with CATA to ensure fair, effective, and efficient property tax administration."

SABAN FREE CLINICS 35TH ANNUAL DINNER GALA



On November 21st, Ms. Yee joined over 1,000 attendees of the 35th Annual Dinner Gala of the Saban Free Clinic in Beverly Hills to support the Clinic's continued ability to provide medical care, dental care, and social services to underserved communities at five clinics in Los Angeles. "It is heartwarming to see the support for the Clinic continue to be strong, especially during this time when the demand for its services has grown," notes Ms. Yee. She was especially moved by the commitment and service of the Clinic's long-time volunteers.

ASIAN AND PACIFIC AMERICAN LEADERSHIP (APALI) INSTITUTE SENIOR FELLOWS PROGRAM



Ms. Yee honors the APALI with a certificate of recognition.

Ms. Yee addressed the attendees of the APALI Senior Fellows Program luncheon in Cupertino on October 15th. APALI provides civic leadership education to broaden engagement among those from under-represented communities and to build a pipeline of civic leaders from the private, public, and nonprofit sectors. Ms. Yee spoke about her experience as an Asian American woman elected official and her personal journey to attaining elected office. She shared her perspective about personal risk-taking, taking on challenges that are outside of one's "comfort zone." She reflects, "I hope my commitment to serve and mentorship of others will make their journeys to civic leadership just a little bit easier."

CAPITOL FELLOWS ALUMNI ASSOCIATION ELECTED OFFICIALS PANEL

Ms. Yee was excited to serve on the Elected Officials Panel of the Capitol Fellows Alumni Association at their meeting on December 6th. As an alumnus fellow --- Ms. Yee is a former fellow with the California State Senate --- she looks forward to meeting the incoming class each year of those selected to serve as Senate Fellows, Assembly Fellows, and Executive Branch Fellows. Joining Arizona State Representative Kimberly Yee and San Francisco Community College Board of Trustee Member Steve Ngo, both former Executive Branch and Assembly Fellows, respectively, Ms. Yee spoke about her fellowship experience, advising new fellows to not limit their experience at the State Capitol.

"I always am so inspired to meet young people who have an interest in public policy, politics, and public service, as careers in these areas often are not very attractive,"



Ms. Yee speaks before the Capitol Fellows.

she observes. "State government needs to remain dynamic to meet the challenges of today, and having the talents and perspectives of these thoughtful young adults serving in our legislative and executive branches of government is critical."

HOLIDAY VISITS TO THE DISTRICT OFFICES

Ms. Yee took time to make year-end visits with the BOE employees in the Oakland, San Francisco, San Jose, and Santa Rosa District Offices to extend her thanks to them for their dedicated service to taxpayers. "I am very proud of the role our employees have played in serving and assisting business owners during this challenging economic time," Ms. Yee stated. She also provided a briefing to the employees about the status of the agencywide initiatives to enhance taxpayer services, the State Budget, and pension reform discussions.



Ms. Yee meets with senior staff in Oakland.



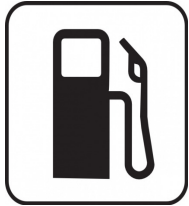
Ms. Yee makes remarks before the San Jose District Office.



Ms. Yee speaks with staff members in Santa Rosa.

GAS CONSUMPTION WATCH

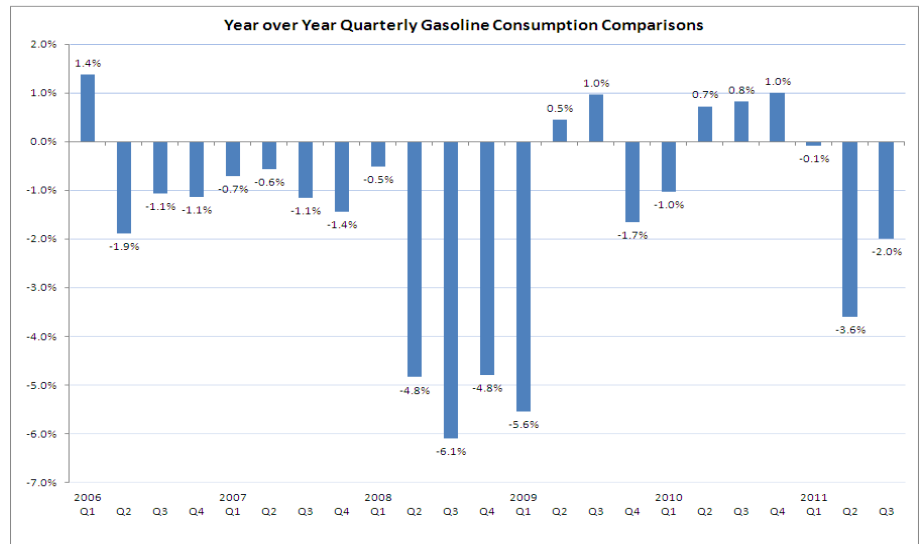
Gasoline consumption in California decreased 2.0 percent in the third quarter of 2011 when compared to the rate of consumption during the same period last year. In gallons, that is a total of 3.727 billion compared to the 3.803 billion gallons consumed in the third quarter of 2010. In comparing September 2011 to September 2010,



gasoline consumption decreased 2.1 percent. What about price? Statewide the average price per gallon rose 74 cents to \$3.88 in third quarter 2011, a 24 percent increase

over the average price of \$3.14 per gallon in the third quarter of 2010. September's average price increased 30 percent compared to last September.

Nationally, the average gasoline price increased 92 cents to \$3.69 in third quarter 2011, a 33 percent increase over the average price of \$2.77 per gallon in third quarter 2010. In September, the average nationwide price increased 33 percent over the September 2010.



Diesel Fuel Consumption

In the third quarter 2011, diesel consumption increased 6.6 percent when compared to the rate of consumption over the same time last year.

What about diesel price? In third quarter 2011, the average price of a gallon of diesel fuel in California increased 92 cents, bringing the price per gallon to \$4.06. The \$3.14 per gallon price paid in the third quarter of last year is an increase of 29 percent. This price

comparison matches those of September 2011 and 2010.

Nationally, the average price of diesel fuel in third quarter 2011 was up 93 cents to \$3.87, a 32 percent increase over the third quarter 2010 average US price of \$2.94 per gallon. In September 2011, the average price nationwide for a gallon of diesel increased 89 cents to \$3.84, a 30 percent increase over the average US \$2.95 price per gallon in September 2010.

UPCOMING EVENTS

BASIC SALES AND USE TAX CLASSES

The following outreach and education events are being offered free of charge in the First Equalization District from January 2012 through March 2012. Please click [here](#) to obtain detailed information about seminar and conference topics, times, and locations.

January 17:	Basic Sales and Use Tax Seminar in English (Oakland)
January 19:	Basic Sales and Use Tax Seminar in English (Salinas)
January 19:	Basic Sales and Use Tax Seminar in English (Fairfield)
January 24:	Basic Sales and Use Tax Seminar in English (Santa Rosa)
February 2:	Basic Sales and Use Tax Seminar in English (San Francisco)
February 16:	Basic Sales and Use Tax Seminar in English (San Jose)
March 1:	Basic Sales and Use Tax Seminar in English (San Francisco)
March 20:	Basic Sales and Use Tax Seminar in English (Santa Rosa)
March 22:	Basic Sales and Use Tax Seminar in Chinese (San Jose)
March 27:	Basic Sales and Use Tax Seminar in English (San Jose)